



November 20, 2013

By Electronic Mail

**For the State of Montana**

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**For the United States**

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Dear Ladies and Gentlemen:

As Trustee for the Montana Environmental Custodial Trust (the Custodial Trust), Montana Environmental Trust Group LLC, hereby submits the attached financial statements for the following Custodial Trust Accounts to the beneficiaries of the Custodial Trust:

- (1) The Custodial Trust Administrative Account;
- (2) The East Helena Cleanup Account;
- (3) The Mike Horse/Upper Blackfoot Mining Complex Cleanup Account; and
- (4) The Black Pine Cleanup Account

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November 20, 2013  
Beneficiary Letter

The attached financial statements cover the quarter ending September 30, 2013 and are submitted pursuant to the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,



Montana Environmental Trust Group LLC

Attachments

cc:

Betsy Burns—EPA-8  
Cynthia Brooks—METG  
Jennifer Roberts—GETG  
Jim Ford – METG  
Joe Vranka—EPA-8  
Justin Mosness—Galusha  
Lauri Gorton—METG  
Marc Weinreich—METG  
Nathan D McCarthy— Galusha



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## Accountants Compilation Report

To the Trustees and Beneficiaries  
Montana Environmental Trust Group LLC,  
Trustee for Montana Environmental Custodial Trust  
Helena, MT

We have compiled the accompanying statement of financial position of; the Custodial Trust Administrative Account, the East Helena Cleanup Account, the Mike Horse/Upper Blackfoot Mining Complex Cleanup Account and the Black Pine Cleanup Account as of September 30, 2013, and the related statement of activities for the quarter and period then ended included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the form prescribed by the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites) and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the trustees in presenting financial information in the form of financial statements as prescribed by the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites) without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements are presented in accordance with the requirements of the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites), which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The form prescribed by the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites) omits substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Multistate Environmental Response Trust.

Galusha, Higgins & Galusha  
November 20, 2013

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENT OF FINANCIAL POSITION

*September 30, 2013*

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ASSETS

Current assets

Cash, First Interstate Bank	\$ 79,110.37
Due from other cost centers	1,634.22
Total current assets	<u>80,744.59</u>

Investments, JP Morgan Chase

Total assets	<u>7,117,903.44</u> <u><u>\$ 7,198,648.03</u></u>
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LIABILITIES AND NET ASSETS

Accounts payable	\$ 25,647.23
Due to other cost centers	-
	<u>25,647.23</u>

Net assets

Total net assets and liabilities	<u>7,173,000.80</u> <u><u>\$ 7,198,648.03</u></u>
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**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENT OF ACTIVITIES

*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Investment income, net of fees	\$ 26,127.17	\$ 76,938.78			
Unrealized gains (losses)	10,588.60	(100,482.40)			
Total revenues (losses)	36,715.77	(23,543.62)			
Expenses:					
1.A Financial Affairs					
1.A.1 Galusha, Higgins & Galusha, PC	20,309.04	40,750.34	64,400.00	(23,649.66)	63.28%
1.C Property Taxes					
1.C.1 East Helena	-	4,335.37	65,335.00	(60,999.63)	6.64%
1.C.2 UBMC-Mike Horse	-	942.27	2,449.00	(1,506.73)	38.48%
1.C.3 Black Pine	-	2,922.16	7,313.00	(4,390.84)	39.96%
1.C.4 Iron Mountain	-	133.27	293.00	(159.73)	45.48%
1.C Property Taxes Total	-	8,333.07	75,390.00	(67,056.93)	11.05%
1.F Site Security					
1.F.1 East Helena	3,818.91	10,082.54	22,584.00	(12,501.46)	44.64%
1.F.2 UBMC-Mike Horse	-	38.91	11,944.00	(11,905.09)	0.33%
1.F.3 Black Pine	4,829.27	15,038.91	20,163.00	(5,124.09)	74.59%
1.F.4 Iron Mountain	-	-	-	-	0.00%
1.F Site Security Total	8,648.18	25,160.36	54,691.00	(29,530.64)	46.00%
1.G Insurance					
1.G.1 Commercial General Liability	-	46,237.50	46,238.00	(0.50)	100.00%
1.G.2 Vehicle-Equipment Insurance	-	4,061.00	9,546.00	(5,485.00)	42.54%
1.G.3 Property Insurance	-	25,605.89	28,748.00	(3,142.11)	89.07%
1.G Insurance Total	-	75,904.39	84,532.00	(8,627.61)	89.79%

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENT OF ACTIVITIES

*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
1.H Trust Legal Affairs					
1.H.1 Outside Council	683.25	2,287.28	2,250.00 (1)	37.28	101.66%
1.H.2 Records Segregation Costs	-	2,388.68	6,024.00	(3,635.32)	39.65%
1.H.3 GETG Professional Fees	450.00	1,518.75	4,950.00	(3,431.25)	0.00%
1.H.4 Water Rights	38.00	1,782.97	12,250.00	(10,467.03)	14.55%
1.H Trust Legal Affairs Total	1,171.25	7,977.68	25,474.00	(17,496.32)	31.32%
1.I Unpatented Mining Claim Maint.					
1.I.1 Fees for Unpatented Mining Claims	47,040.00	47,040.00	47,040.00	-	100.00%
1.K Property Sales					
1.K.1 East Helena	4,790.50	7,603.75	15,200.00	(7,596.25)	50.02%
1.L Trustee Costs					
1.L.1 Trustee Fees	1,125.00	28,575.00	33,450.00	(4,875.00)	85.43%
1.L.2 Trustee Expenses	2,219.70	2,219.70	9,000.00	(6,780.30)	24.66%
1.L Trustee Costs Total	3,344.70	30,794.70	42,450.00	(11,655.30)	72.54%
Total expenses	85,303.67	243,564.29	409,177.00	(165,612.71)	59.53%
Change in net assets	(48,587.90)	(267,107.91)	<u>\$ (409,177.00)</u>		
Net assets, beginning of period	7,221,588.70	7,440,108.71			
Net assets, end of period	<u>\$ 7,173,000.80</u>	<u>\$ 7,173,000.80</u>			

(1) The Custodial Trust is currently preparing a request for beneficiary approval to increase the budget for Level 2 Cost Center I.H.1 Trust Legal Affairs - Outside Counsel to reflect the cost overrun.

# Montana Environmental Custodial Trust

## East Helena Clean-up Account

### STATEMENT OF FINANCIAL POSITION

September 30, 2013

#### ASSETS

##### Current assets

Cash, First Interstate Bank	\$ 785,608.01
Accounts receivable - COEH	198,194.32
Accounts receivable - Asarco documents	7,507.25
Due from other cost centers	-
Total current assets	<u>991,309.58</u>

##### Investments, JP Morgan Chase

Total assets	<u>83,591,895.41</u>
	<u><u>\$ 84,583,204.99</u></u>

#### LIABILITIES AND NET ASSETS

##### Liabilities

Accounts payable	\$ 3,795,386.48
Retention hold-back payable	204,935.97
Due to other cost centers	1,061.99
Total current liabilities	<u>4,001,384.44</u>

##### Net assets

Total net assets and liabilities	<u>80,581,820.55</u>
	<u><u>\$ 84,583,204.99</u></u>

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
**STATEMENT OF ACTIVITIES**  
*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
2.RNT · Rental Income					
2.RNT.a · Commercial Tenants	\$ -	\$ -			
2.RNT.b · Agricultural Tenants	-	3,445.00			
2.RNT.c · Slag Pile	-	36,990.00			
2.RNT · Rental Income Total	-	40,435.00			
2.PS · Property Sales	-	-			
Investment income, net of fees	360,793.47	1,087,435.52			
Unrealized gains (losses)	(13,548.50)	(672,457.22)			
Total revenues (losses)	347,244.97	455,413.30			
Expenses:					
2.A · Water Treatment Plant					
2.A.1 · WTP O&M	34,619.31	119,356.98	174,758.00	(55,401.02)	68.30%
2.A.3 · WTP/NPDES Regulatory Compliance	-	-	11,988.00	(11,988.00)	0.00%
Total 2.A · Water Treatment Plant	34,619.31	119,356.98	186,746.00	(67,389.02)	63.91%
2.B · General Site Operations					
2.B.1 · Routine O&M	23,330.06	59,126.07	77,277.00	(18,150.93)	76.51%
2.B.2 · Office Operations	1,382.77	8,892.90	34,771.00	(25,878.10)	25.58%
2.B.3 · Safety	8,781.28	50,001.66	133,915.00	(83,913.34)	37.34%
2.B.5 · Non-Routine O&M	2,025.09	9,212.59	29,446.00	(20,233.41)	31.29%
2.B.6 · Emergency Response	-	8,459.93	20,000.00	(11,540.07)	42.30%
2.B.7 · Modular Offices	3,672.16	5,884.43	5,000.00	884.43	0.00%
Total 2.B · General Site Operations	39,191.36	141,577.58	300,409.00	(158,831.42)	47.13%
2.C · Waste Disposal					
2.C.1 · HDS	-	529.37	4,000.00	(3,470.63)	13.23%
2.C.2 · Contaminated Debris	-	31.00	13,400.00	(13,369.00)	0.23%
2.C.3 · Other	745.20	7,492.81	10,100.00	(2,607.19)	74.19%
Total 2.C · Waste Disposal	745.20	8,053.18	27,500.00	(19,446.82)	29.28%
2.D · Slag Pile Reprocessing	-	62.00	55,500.00	(55,438.00)	0.11%



**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
**STATEMENT OF ACTIVITIES**  
*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
2.E · Tenants					
2.E.2 · Agricultural Tenants	-	4,838.50	8,500.00	(3,661.50)	56.92%
2.E.4 · Other	-	2,430.80	8,000.00	(5,569.20)	30.39%
Total 2.E · Tenants	-	7,269.30	16,500.00	(9,230.70)	44.06%
2.F · RCRA Compliance					
2.F.1 · Reporting	-	-	2,000.00	(2,000.00)	0.00%
2.F.2 · Inspections	682.00	3,441.00	10,000.00	(6,559.00)	34.41%
2.F.5 · CAMU O&M	7,604.00	11,372.99	10,000.00	1,372.99	113.73%
Total 2.F · RCRA Compliance	8,286.00	14,813.99	22,000.00	(7,186.01)	67.34%
2.I · Risk Assessment					
2.I.1 · HHRA	-	-	25,000.00	(25,000.00)	0.00%
2.I.2 · BERA	-	3,115.00	30,000.00	(26,885.00)	10.38%
Total 2.I · Risk Assessment	-	3,115.00	55,000.00	(51,885.00)	5.66%
2.J · Interim Measures					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	123,251.45	624,138.34	1,260,000.00	(635,861.66)	49.53%
2.J.1b · SPHC IM Construction	1,869,885.66	2,395,105.30	3,672,340.00	(1,277,234.70)	65.22%
2.J.1 · SPHC IM Design & Construction	1,993,137.11	3,019,243.64	4,932,340.00	(1,913,096.36)	61.21%
2.J.2 · ET Cover System IM					
2.J.2a · ET Cover IM Design	65,071.15	405,243.48	580,000.00	(174,756.52)	69.87%
2.J.2b · ET Cover IM Construction	1,550,891.42	2,925,580.08	3,721,585.00	(796,004.92)	78.61%
2.J.2 · ET Cover IM Design & Construction	1,615,962.57	3,330,823.56	4,301,585.00	(970,761.44)	77.43%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	36,088.54	94,398.22	275,000.00	(180,601.78)	34.33%
2.J.3b · Source Removal Construction	-	-	-	-	0.00%
2.J.3 · Source Removal Design & Construction	36,088.54	94,398.22	275,000.00	(180,601.78)	34.33%
2.J.4 · IM/RCRA Support	281,578.44	735,338.51	1,258,000.00	(522,661.49)	58.45%
2.J.5 · Design Management/Execution	187,952.09	679,126.92	2,051,000.00	(1,371,873.08)	33.11%
Total 2.J · Interim Measures	4,114,718.75	7,858,930.85	12,817,925.00	(4,958,994.15)	61.31%

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
**STATEMENT OF ACTIVITIES**  
*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
2.K · Documents & Records					
2.K.1 · System Set-Up	-	-	33,500.00	(33,500.00)	0.00%
2.K.2 · System Maintenance	-	-	36,000.00	(36,000.00)	0.00%
Total 2.K · Documents & Records	-	-	69,500.00	(69,500.00)	0.00%
2.M · CERCLA Compliance	3,069.00	3,131.00	70,000.00	(66,869.00)	4.47%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	35,592.04	74,599.76	90,000.00	(15,400.24)	82.89%
2.N.4 · Design/Construction Audit Service	-	-	60,000.00	(60,000.00)	0.00%
Total 2.N · Financial Affairs	35,592.04	74,599.76	150,000.00	(75,400.24)	49.73%
2.O · Redevelopment					
2.O.1 · Redevelopment Plans & Studies	-	-	80,000.00	(80,000.00)	0.00%
2.O.2 · Redevelopment Support	109.00	2,914.25	5,000.00	(2,085.75)	58.29%
Total 2.O · Redevelopment	109.00	2,914.25	85,000.00	(82,085.75)	3.43%
2.P · Community Relations					
2.P.1 · General Meetings	-	-	10,000.00	(10,000.00)	0.00%
2.P.2 · RCRA Annual Public Meeting	-	-	4,000.00	(4,000.00)	0.00%
2.P.3 · East Helena Website	-	412.50	15,000.00	(14,587.50)	2.75%
2.P.4 · Community Involvement/Relations	-	-	75,000.00	(75,000.00)	0.00%
2.P.5 · New Signage	-	77.50	9,500.00	(9,422.50)	0.82%
Total 2.P · Community Relations	-	490.00	113,500.00	(113,010.00)	0.43%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	7,162.00	36,477.25	84,000.00	(47,522.75)	43.43%
2.R.2 · In-House Legal Services	6,075.00	20,418.75	56,250.00	(35,831.25)	36.30%
Total 2.R · Legal Support Total	13,237.00	56,896.00	140,250.00	(83,354.00)	40.57%

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
**STATEMENT OF ACTIVITIES**  
*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
2.T · Trustee Management & Support					
2.T.4 · RCRA PM	79,012.50	245,700.00	349,440.00	(103,740.00)	70.31%
2.T.5 · Administrative Staff	-	-	-	-	0.00%
2.T.6 · Compliance Manager	4,377.50	12,470.69	80,000.00	(67,529.31)	15.59%
2.T.7 · Operations Manager	34,630.75	106,568.00	92,400.00	14,168.00	115.33%
2.T.8 · Support Staff	14,505.93	44,778.34	121,000.00	(76,221.66)	37.01%
2.T.9 · Project Controls Manager	24,640.00	46,125.80	150,000.00	(103,874.20)	30.75%
2.T.10 · Construction Mgmt Support/Inspection	-	-	-	-	0.00%
2.T.11 · Trustee Mgmt EH Clean Up	148,299.25	357,782.75	397,800.00	(40,017.25)	89.94%
2.T.12 · Trustee Land Use & Re-use	3,600.00	4,950.00	70,200.00	(65,250.00)	7.05%
2.T.13 · Trustee Travel and Directs	9,767.65	12,442.12	20,000.00	(7,557.88)	62.21%
Total 2.T · Trustee Management & Support Total	<u>318,833.58</u>	<u>830,817.70</u>	<u>1,280,840.00</u>	<u>(450,022.30)</u>	<u>64.87%</u>
Total expenses	<u>4,568,401.24</u>	<u>9,122,027.59</u>	<u>15,390,670.00</u>	<u>(6,268,642.41)</u>	<u>59.27%</u>
Change in net assets	<u>(4,221,156.27)</u>	<u>(8,666,614.29)</u>	<u>(15,390,670.00)</u>		
Net assets, beginning of period	<u>84,802,976.82</u>	<u>89,248,434.84</u>			
Net assets, end of period	<u>\$ 80,581,820.55</u>	<u>\$ 80,581,820.55</u>			

(1) 2012 net assets restated by \$19,877.29 for expenses incurred in 2012 which are reimbursable by the City of East Helena and invoiced in 2013.

**Montana Environmental Custodial Trust**  
**Summary East Helena Clean-up Account**  
SUMMARY STATEMENT OF ACTIVITIES  
*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
2.RNT · Rental Income	\$ -	\$ 40,435.00			
2.PS · Property Sales	-	-			
Investment income, net of fees	360,793.47	1,087,435.52			
Unrealized gains (losses)	(13,548.50)	(672,457.22)			
Total revenues (losses)	347,244.97	455,413.30			
Expenses:					
2.A · Water Treatment Plant	34,619.31	119,356.98	186,746.00	(67,389.02)	63.91%
2.B · General Site Operations	39,191.36	141,577.58	300,409.00	(158,831.42)	47.13%
2.C · Waste Disposal	745.20	8,053.18	27,500.00	(19,446.82)	29.28%
2.D · Slag Pile Reprocessing	-	62.00	55,500.00	(55,438.00)	0.11%
2.E · Tenants	-	7,269.30	16,500.00	(9,230.70)	44.06%
2.F · RCRA Compliance	8,286.00	14,813.99	22,000.00	(7,186.01)	67.34%
2.I · Risk Assessment	-	3,115.00	55,000.00	(51,885.00)	5.66%
2.J · Interim Measures	4,114,718.75	7,858,930.85	12,817,925.00	(4,958,994.15)	61.31%
2.K · Documents & Records	-	-	69,500.00	(69,500.00)	0.00%
2.M · CERCLA Compliance	3,069.00	3,131.00	70,000.00	(66,869.00)	4.47%
2.N · Financial Affairs	35,592.04	74,599.76	150,000.00	(75,400.24)	49.73%
2.O · Redevelopment	109.00	2,914.25	85,000.00	(82,085.75)	3.43%
2.P · Community Relations	-	490.00	113,500.00	(113,010.00)	0.43%
2.R · Legal Support	13,237.00	56,896.00	140,250.00	(83,354.00)	40.57%
2.T · Trustee Management & Staff	318,833.58	830,817.70	1,280,840.00	(450,022.30)	64.87%
Total expenses	4,568,401.24	9,122,027.59	15,390,670.00	(6,268,642.41)	59.27%
Change in net assets	(4,221,156.27)	(8,666,614.29)	(\$15,390,670.00)	\$6,268,642.41	56.31%
Net assets, beginning of period	84,802,976.82	89,248,434.84	(1)		
Net assets, end of period	\$ 80,581,820.55	\$ 80,581,820.55			

(1) 2012 net assets restated by \$19,877.29 for expenses incurred in 2012 which are reimbursable by the City of East Helena and invoiced in 2013.

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*September 30, 2013*

---

ASSETS

Current assets

Cash, First Interstate Bank	\$ 65,120.60
Prepaid expenses - DEQ	19,746.92
Due from other cost centers	<u>-</u>
Total current assets	84,867.52

Investments, JP Morgan Chase

Total assets	<u>6,827,664.14</u> <u><u>\$ 6,912,531.66</u></u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 16,292.46
Due to other cost centers	<u>572.23</u>
Total current liabilities	16,864.69

Net assets

Total net assets and liabilities	<u>6,895,666.97</u> <u><u>\$ 6,912,531.66</u></u>
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**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENT OF ACTIVITIES

*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest income - DEQ	\$ 7.11	\$ 50.12			
Investment income, net of fees	26,340.88	(4,914.48)			
Unrealized gains (losses)	10,545.00	(34,082.86)			
Total revenues (losses)	36,892.99	(38,947.22)			
Expenses:					
4.1 MT DEQ Expenses					
4.A Personnel (MT DEQ)	4,419.44	14,717.58	30,944.00	(16,226.42)	47.56%
4.DEQ Direct & Indirect Expenses	1,354.58	4,076.84	8,803.00	(4,726.16)	46.31%
4.1 Total MT DEQ Expenses	5,774.02	18,794.42	39,747.00	(20,952.58)	47.29%
4.2 Other Expenses					
4.B Material, Supplies & Chemicals					
1-62244 Chemicals	11,988.76	41,868.33	67,500.00	(25,631.67)	62.03%
WTP Supplies	17,954.08	30,947.14	40,050.00	(9,102.86)	77.27%
4.B Material, Supplies & Chemicals	29,942.84	72,815.47	107,550.00	(34,734.53)	67.70%
4.C Operating Labor					
1-62102-01 WTS/Trust Management and Oversight	10,792.25	31,641.75	56,056.00	(24,414.25)	56.45%
1-62102-02 GETG Trustee Oversight	956.25	7,087.50	22,500.00	(15,412.50)	31.50%
1-62102-12 Technical Advisory Services (CDM)	-	-	7,900.00	(7,900.00)	0.00%
1-62102-22 WTP Technician/Operator	30,090.00	88,882.61	101,800.00	(12,917.39)	87.31%
1-62102-28 Operational Trouble-shoot & Support	-	-	3,250.00	(3,250.00)	0.00%
4.C Operating Labor	41,838.50	127,611.86	191,506.00	(63,894.14)	66.64%
4.D Other Professional Services/Labor (Routine)					
1-62102-31 PLC & Instrumentation Service (MET)	7,438.47	9,775.12	13,250.00	(3,474.88)	73.77%
1-62102-41 Storm Water Regulatory Compliance	-	-	4,100.00	(4,100.00)	0.00%
1-62102-204 Health & Safety Compliance	90.00	1,052.73	2,000.00	(947.27)	52.64%
1-62891 Handyman Charges	1,775.00	4,990.12	7,500.00	(2,509.88)	66.53%
1-62102-51 GHG Accounting	3,824.65	12,849.89	18,000.00	(5,150.11)	71.39%
1-62243 Weed Control	665.50	665.50	1,200.00	(534.50)	55.46%
4.D Other Professional Services/Labor	13,793.62	29,333.36	46,050.00	(16,716.64)	63.70%

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**  
STATEMENT OF ACTIVITIES  
*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
4.E WTP Operations - Analytical (Routine)					
1-62106-01 Energy Lab Testing (O&M Samples)	2,938.25	7,421.75	16,500.00	(9,078.25)	44.98%
1-62106-02 Linda Tangen Data Validation (O&M)	521.38	1,824.83	5,000.00	(3,175.17)	36.50%
1-62106-03 Energy Lab Testing (Repositories)	1,617.00	1,886.50	3,300.00	(1,413.50)	57.17%
4.E WTP Operations - Analytical	5,076.63	11,133.08	24,800.00	(13,666.92)	44.89%
4.F WTP Operations - Utilities (Routine)					
1-62186 Waste Disposal	2,125.00	4,165.11	8,600.00	(4,434.89)	48.43%
1-62371 Telephone	897.12	2,633.86	5,580.00	(2,946.14)	47.20%
1-62601 Electricity	10,880.13	33,112.51	49,300.00	(16,187.49)	67.17%
1-62605 Water & Sewage	200.00	871.26	3,460.00	(2,588.74)	25.18%
1-62606 Garbage & Trash	336.89	791.71	1,800.00	(1,008.29)	43.98%
1-62607 Propane	596.00	7,043.50	18,700.00	(11,656.50)	37.67%
4.F WTP Operations - Utilities	15,035.14	48,617.95	87,440.00	(38,822.05)	55.60%
4.H Projects & Construction					
1-63100-01 Repair 200 ft. Mike Horse Adit	-	-	30,000.00	(30,000.00)	0.00%
1-63113-03 Spare Parts	1,929.09	24,746.34	25,000.00	(253.66)	98.99%
1-63113-04 Concrete Floor Under Building Awning	4,413.92	4,413.92	4,500.00	(86.08)	98.09%
1-63113-11 Backup Generator for Upper Site	-	-	9,500.00	(9,500.00)	0.00%
1-63113-12 Purchase/Program HMI PLC Workstation	1,250.00	3,998.75	4,000.00	(1.25)	99.97%
1-63113-13 Purchase/Program Standalone Alarm Dialer	2,300.00	7,800.00	7,800.00	-	100.00%
1-63113-14 Replace Atlas Copco Air Compressor	-	-	8,500.00	(8,500.00)	0.00%
1-63113-15 Install Filtrate Flow Meters - CMF	-	-	30,000.00	(30,000.00)	0.00%
1-63113-16 Install Holding Tank for Sludge Tank Decant	7,455.86	49,288.51	50,000.00	(711.49)	98.58%
1-63113-17 Purchase/Install 500 Gallon Acid Storage Tanks	-	-	10,500.00	(10,500.00)	0.00%
1-63113-18 Relocate Field Test Lab	-	-	5,500.00	(5,500.00)	0.00%
1-63113-19 Modify WTP for Intermittent Seasonal Op	4,751.44	10,023.14	12,000.00	(1,976.86)	83.53%
1-63113-20 Finalize O&M Manual	-	-	17,180.00	(17,180.00)	0.00%
1-63113-21 Purchase Software/Program PLC Data Capture	-	-	13,000.00	(13,000.00)	0.00%
1-63113-22 Automate CIP Cleaning	-	-	34,000.00	(34,000.00)	0.00%
1-63113-23 Install Wall & Extend Mezzanine	3,786.49	7,316.40	8,000.00	(683.60)	91.46%
1-62102-231 HVAC/Lighting Modification	5,961.51	6,840.08	95,000.00	(88,159.92)	7.20%
1-62102-233 Building Repairs (Corrosion Damage)	-	26.39	9,000.00	(8,973.61)	0.29%
1-62102-42 Water Balance Study (Hydrometrics)	-	210.00	10,000.00	(9,790.00)	2.10%
1-62102-42 Storm Water Maintenance/Upgrades	1,018.74	4,441.74	8,700.00	(4,258.26)	51.05%
1-62102-204 Update and Implement WTP HASP	-	-	10,000.00	(10,000.00)	0.00%
1-62102-41 Storm Water Pollution Prevention Plan	1,367.65	7,338.42	7,500.00	(161.58)	97.85%
4.H Projects & Construction	34,234.70	126,443.69	409,680.00	(283,236.31)	30.86%

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENT OF ACTIVITIES

*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
4.I Set-Aside for Operation Issues/Upsets (Non-Routine)					
1-62102-121 Unforeseen Emergency Response Funds	-	-	50,000.00	(50,000.00)	0.00%
1-63113-301 Low Density Sludge	-	-	28,000.00	(28,000.00)	0.00%
1-63113-302 Sludge TCLP Fails for Cadmium	-	-	36,000.00	(36,000.00)	0.00%
1-63113-303 Effluent Dissolved Oxygen (> 8.0 mg/l)	-	-	12,000.00	(12,000.00)	0.00%
4.I Set-Aside for Operation Issues/Upsets	-	-	126,000.00	(126,000.00)	0.00%
4.2 Total Other Expenses	139,921.43	415,955.41	993,026.00	(577,070.59)	41.89%
Total expenses	145,695.45	434,749.83	1,032,773.00	(598,023.17)	42.10%
Change in net assets	(108,802.46)	(473,697.05)	(1,032,773.00)	598,023.17	45.87%
Net assets, beginning of period	7,004,469.43	7,369,364.02			
Net assets, end of period	<u>\$ 6,895,666.97</u>	<u>\$ 6,895,666.97</u>			



**Montana Environmental Custodial Trust**

**Black Pine Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*September 30, 2013*

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ASSETS

Current assets

Cash, First Interstate Bank	\$ 21,205.85
Money Market	165,508.03
Prepaid expenses - DEQ	<u>406,669.41</u>
Total current assets	593,383.29

Investments, JP Morgan Chase

<u>16,267,422.53</u>
<u><u>\$ 16,860,805.82</u></u>

Total assets

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 3,782.70
Due to other cost centers	<u>-</u>
Total current liabilities	3,782.70

Net assets

<u>16,857,023.12</u>
<u><u>\$ 16,860,805.82</u></u>

Total net assets and liabilities

**Montana Environmental Custodial Trust**  
**Black Pine Clean-up Account**

STATEMENT OF ACTIVITIES

*For the quarter and year ending September 30, 2013*

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 138.46	\$ 547.08			
Interest Income - MM	42.62	135.66			
Investment income, net of fees	68,132.38	198,995.48			
Unrealized gains (losses)	20,178.75	(259,879.25)			
Total revenues (losses)	88,492.21	(60,201.03)			
Expenses:					
5.1 Costs Paid Directly by Trustee from Clean-up Account					
2-2-01 Trustee Services/Expenses-Cox	-	-	1,000.00	(1,000.00)	0.00%
2-2-02 Trustee Services/Expenses-Marc	618.75	1,746.75	5,000.00	(3,253.25)	34.94%
2-2-03 Mine Maintenance/Security	4,231.50	12,694.50	16,926.00	(4,231.50)	75.00%
2-2-04 Generator Maintenance	-	1,610.92	2,000.00	(389.08)	80.55%
2-2-51 Accounting Services	1,614.53	4,669.93	11,000.00	(6,330.07)	42.45%
2-62401 Mileage	597.77	1,609.41	2,330.00	(720.59)	69.07%
2-62405 Snowmobile	-	735.00	908.00	(173.00)	80.95%
5.1.1 Utilities					
2-62601 Electricity	1,501.24	4,773.41	7,500.00	(2,726.59)	63.65%
2-62607 Propane	-	-	2,840.00	(2,840.00)	0.00%
5.1.1 Utilities Total	1,501.24	4,773.41	10,340.00	(5,566.59)	46.16%
5.1.2 Permits					
2-62823-01 Operating Permit (#00063)	-	100.00	100.00	-	100.00%
2-62823-02 Storm Water (#MTR300080)	-	1,125.00	1,125.00	-	100.00%
2-62823-03 Air Quality (#1630)	-	-	825.00	(825.00)	0.00%
5.1.2 Permits Total	-	1,225.00	2,050.00	(825.00)	59.76%
5.1 Trustee Costs Total	8,563.79	29,064.92	51,554.00	(22,489.08)	56.38%
5.2 DEQ Costs	88,651.33	375,467.74	1,539,236.00	(1,163,768.26)	24.39%
Total expenses	97,215.12	404,532.66	1,590,790.00	(1,186,257.34)	25.43%
Change in net assets	(8,722.91)	(464,733.69)	\$ (1,590,790.00)	\$ 1,186,257.34	29.21%
Net assets, beginning of period	16,865,746.03	17,321,756.81			
Net assets, end of period	\$ 16,857,023.12	\$ 16,857,023.12			